IV. Definitions.

A. Accrued Expenditures. This term is defined in 29 CFR 97.3 as: "charges incurred by the grantee during a given period requiring the provision of funds for: (1) goods and other tangible property received; (2) services performed by employees, contractors, subgrantees, subcontractors, and other payees; and (3) other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments."

The term "Outlays" on the SF 269 has the same meaning as accrued expenditures under the accrual basis of reporting.

B. Funding Period. Non-automation funds must be obligated by December 31 of the following fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date on written request. Automation funds must be obligated by the end of the 3rd fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date on written request. The annual call memo will specify the specific funding period for the plan year and any special provisions contained in the appropriation language.

C. Obligations. Obligations are the sum of outlays and unliquidated obligations (resources on order).

Guidelines for establishing obligations in the UI program are listed below:

1. Obligations must be intended to meet a bona fide need of the funding period in which the need arises, or to replace stock used in the funding period. To comply with this guideline, purchase orders, requisitions, and contracts recorded as obligations must be firm, complete, and must request prompt delivery of materials or services. Do not include in the amounts reported as obligations administrative reservations, such as reservations for contemplated procurements in the form of requisitions within the SESA, invitations for bids, or any other similar arrangements.

2. Where an obligation is definite but the precise amount is not known, it may be estimated.

3. States must obligate allocations for regular operations of the UI program -- whether base or contingency funded -- as specified in paragraph IV.B. above.

4. Generally, obligations should be supported by a valid purchase order or other binding agreement, in writing, between the parties, for goods to be delivered or services to be performed. Purchase orders are to be included only to the extent that their issuance, together with previous or subsequent action by the other party, constitutes an offer and acceptance that has become a binding agreement. Such orders (and requisitions) may not be regarded as issued as long as they remain within the control of the issuing agency.

5. If the SESA issues purchase orders directly to a vendor, obligations must be recorded and reported on the basis of the purchase orders.

6. For purchases placed with another State agency which are required by State law or regulation, an exception is made to the requirement for supporting a transaction by a valid purchase order or binding agreement in writing. Where the State law or regulations mandatorily require the State agency to procure the specific materials, requisitions of State agencies may be treated as purchase orders, and obligations must be recorded and reported on the basis of the requisitions issued to the central procurement agency.

7. When procurement from a central procurement agency is optional, obligations may be recorded on the basis of requisitions issued by the SESA, provided: (a) there is documentary evidence (such as a store stock catalog) that the items are normally stocked, and (b) the requisition is for a bona fide need of the funding period in which the need arises, or it is for replacement of stock used in the funding year. When items or services are ordered through a central procurement agency with delivery to the SESA direct from the vendor, obligations must be recorded on the basis of purchase orders issued by the central agency.

D. Unliquidated Obligations. This term on the SF 269, for reports prepared on an accrued expenditure basis, is defined in 29 CFR 97.3 as: "the amount of obligations incurred by the grantee for which an outlay has not been recorded." The term "unliquidated obligations" has the same meaning as "resources on order" had in the past. SESAs must report valid unliquidated obligations on the SF 269 for the UI program.

SESAs should periodically review unliquidated obligation amounts to determine their validity. Obligations must not be carried on the State agency's books unless the agency is reasonably certain that payment of the obligation will be required at a later date.

Federal regulations at 29 CFR 97.23(b) require that States must liquidate all obligations incurred under a grant not later than 90 days after the end of the funding period (see paragraph IV.B. above) unless extended by the Federal agency at the request of the grantee. Thus, States must obtain written approval from ETA to retain unliquidated non-automation acquisition obligations beyond 6 months after the end of the fiscal year or automation acquisition obligations beyond 2 years and 90 days after the end of the fiscal year. State requests for extension of the deadline for expending funds must be in writing and executed prior to the regular deadlines for fund expenditure.

E. Automation Acquisition. The term "automation acquisition" is defined as the costs of goods and services directly related to the automation of UI operations. Automation goods consist of computers and their peripheral and auxiliary equipment and associated software. Automation data processing services are those services necessary to support the acquisition of those ADP goods. The term does not include maintenance and other costs relating to current operations and services.

Given the fast pace of technological developments, the list of products covered by this definition will change with time; therefore, no definitive list can be provided. The following list is illustrative of what is meant by the definition, but is not all-inclusive:

1. **Hardware:** central processing units; front-end processing units; minicomputers; microcomputers; and related peripheral equipment, such as data storage devices, document scanners, data entry equipment, terminal controllers, and data terminal equipment; computer-based word processing systems other than memory typewriters; equipment and systems for computer networks; equipment and systems for communications, which includes voice, radio, images, optical, data, and video; related items such as switchboards, PBX units, multiplexers, FAX, modems, digital computer service units, channel service units, channel extenders, protocol converters, VSAT, satellite, encryption and voice response units.

2. **Software:** programs and routines used to employ and control the capabilities of automated and communication systems such as operating systems, compilers, assemblers, utilities, library routines, maintenance routines, applications, converters, conversion routines, knowledge-based systems, artificial intelligence systems, decision support systems, executive information systems, and encryption and networking programs.

3. **Services:** one-time costs for staff, service bureaus, or contract services directly related to the initial acquisition of automation systems, including those relating to feasibility studies, systems design, application software and system development; and the transportation, installation, training, and maintenance of such items which directly relate to the initial acquisition.

F. ETA Identifying Numbers. Because some SESAs have moved to accounting systems other than CAS, ETA established uniform accounting codes for use by all SESAs in reporting back to ETA. While the uniform codes are based on the current CAS fund ledger code structure, non-CAS users may establish whatever account/code classification system they wish to use in their accounting systems. However, the SF 269s submitted to ETA must contain the ETA identifying number(s) shown in Section II.E., and they must be used in identifying cash drawdowns by program through the Department of Health and Human Services' Payment Management System.

G. Time Distribution Definitions. The definitions of the UI program categories contained in the UI base allocations and Quarterly Financial Report (UI-3) are a combination of UI functions previously defined in ET Handbook No. 362 (SESA Accounting Manual), Volume II, Chapter IV. The following reflects the program categories used on the UI-3 worksheet and the CAS time distribution functions and codes:

UI-3

Associated Time Distribution Functional Activity Codes (under Project Code 210 unless otherwise stated)

Claims Activities

Initial Claims (200)
Weeks Claimed (Includes ERP) (200)
Nonmonetary Determinations (230)
Multi-claimant Services (238)
Appeals (240)

Employer Activities

Wage Records (260)
Tax (Includes Tax Travel) (300)

UI PERFORMS

UI PERFORMS (Function 461 and/or Project Code 213)

UI Support/AS&T

Benefits/Appeals Travel (235)
Benefit Payment Control (270)
UI Support (400)
Internal Security (459)
Interstate Activities (460)
AS&T (100, 120, 150)

TAA and NAFTA-TAA Benefit Administration (Project Code 219)

Use only Claims Activities codes 200, 230, 238, and 240 (see above) under Project Code 219)

Other

Reserved for special categories